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39/942,422	08/30/2001	Robin Ellen Birdsong	67134584-1005	7379

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EXAMINER

FELTEN, DANIEL S

ART UNIT	PAPER NUMBER
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3624

DATE MAILED: 03/15/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

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<b>Office Action Summary</b>	<b>Applicati n No.</b> 09/942,422	<b>Applicant(s)</b> BIRDSONG ET AL.	
	<b>Examiner</b> Daniel S Felten	<b>Art Unit</b> 3624	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☐ Responsive to communication(s) filed on 25 April 2003.  
2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.  
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-48 is/are pending in the application.  
    4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.  
6) ☒ Claim(s) 1-48 is/are rejected.  
7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.  
8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.  
10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
    a) ☐ All    b) ☐ Some \*    c) ☐ None of:  
        1. ☐ Certified copies of the priority documents have been received.  
        2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
        3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).  
    \* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- |  |   |
|--|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892)  | 4) <input type="checkbox"/> Interview Summary (PTO-413)<br>Paper No(s)/Mail Date. _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948)                                   | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152)             |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)<br>Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____  |

### **DETAILED ACTION**

1. Receipt of the preliminary amendment filed May 8, 2003 adding claims 32-48 is acknowledged. Claims 1-48 are pending in the application and are presented to be examined upon their merits.

#### ***Claim Rejections - 35 USC § 112***

2. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

3. Claims 1-48 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

4. The term "automatically" in claims 1-48 is a relative term which renders the claim indefinite. The term "automatically" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary skill in the art would not be reasonably apprised of the scope of the invention. What are the parameters for "automatically" in the claim?

5. The term "periodically" in at least claim 2-48 is a relative term which renders the claim indefinite. The term "periodically" is not defined by the claim, the specification does not provide a standard for ascertaining the requisite degree, and one of ordinary

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skill in the art would not be reasonably apprised of the scope of the invention. What are the parameters of "periodically" in the claim?

Re Claim 2: Claim 2 recites the limitation "the amount" in line 23. There is insufficient antecedent basis for this limitation in the claim.

Re Claims 13 and 14: recite the limitation "the funds". There is insufficient antecedent basis for this limitation in the claim.

Re Claim 32: What does the limitation "requesting a refund if it is determined that the purchase is not a qualified transaction" mean? Why does there need to be a refund if the purchase is not a qualified transaction? Does a transaction take place even if the purchase is not a qualified transaction?

***Claim Rejections - 35 USC § 103***

6. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

7. Claims 1, 6-10, 12, 15-26 and 28-30 are rejected under 35 U.S.C. 103(a) as being unpatentable over in Moore et al (US 5,930,759) in view of Boyer et al (US 6,208,973) and Drunsic (US 2002/0147678).

**Re claim 1:**

Moore discloses a method of adjudicating an e-claim via a bar code made through a plastic card **32** (see Moore figs. 2 and 3, col. 5, lines 52+; col. 6, lines 61+; col. 7, lines 12-32), comprising:

automatically detecting an e-claim made by a participant via the personal data files **20** within the bar code **30** on the card **32** (see Moore col. 5, line 52 to col. 6, line 17);

if the e-claim is an eligible claim, approving the e-claim (see Moore, col..

Moore discloses adjudicating via a card but fails to disclose wherein adjudicating an e-claim is made through an electronic **debit** card spending. Boyer discloses this feature (see Boyer, col. 6, lines 28-33). It would have been obvious for an artisan of

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ordinary skill at the time of the invention to substitute the debit card of Boyer for the plastic card of Moore to provide immediate and convenient method of payment for qualified services. Thus such a modification would have been an obvious expedient well within the ordinary skill in the art.

Moore discloses receiving information related to an e-claim (see Moore col. 7, lines 13-32), but fails to disclose that such information is a receipt. Boyer discloses a point of service adjudication system wherein a receipt (invoice) is provided (see Boyer, col. 5, line 52 to col. 6, line 13). It would have be obvious for an artisan at the time of the invention of to provide a receipt, because an artisan would be motivated to use the receipt as a means to determine on how much will be owed on a given claim in the transaction process at the point of service. Thus such modification would have allowed Moore to expedite the preparation and processing of claims.

Moore fails to disclose auditing the e-claim with the receipt to determine whether the e-claim is an eligible claim. Moore, Boyer and Drunsic all teach adjudication of claims (see Moore, col. 5, lines 14+; Boyer, col. 5, lines 52+; and Drunsic Abstract), Drunsic particularly teaches that subsequent adjudication of debit card transactions may occur during an audit and that adjudication may be customized to include IRS parameters (see Drunsic paragraphs 0075 and 0084). Thus it would have been obvious to integrate the aforementioned limitation within Moore and Boyer as taught in Drunsic because such a modification would have allowed Moore and Boyer transactions to comply with Federal standards and avoid fraudulent transactions.

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Moore fails to disclose that when the e-claim is not an eligible e-claim, assigning a reason code to the e-claim. Drunsic discloses that when a transaction is rejected automatically triggering a follow-up action associated with a code to inform the participant of the ineligible e-claim transactions (see Drunsic paragraphs 0081 and 0082). It would have been obvious for an artisan of ordinary skill at the time of the invention of Moore to integrate the aforementioned features into Moore because an artisan would have been motivated to inform customers of ineligibility of transactions so that they may take the appropriate corrective measures. Thus such a modification would have been an obvious expedient well within the ordinary skill in the art.

**Re claim 6:**

Moore fails to disclose receiving *real time* e-claim transaction data Boyer and Drunsic discloses detecting includes automatically receiving real time e-claim transaction data (see at least Boyer col. 5, lines 62+). It would have been obvious to integrate receiving real time e-claim transaction data, as disclosed in Boyer and Drunsic into Moore because an artisan at the time of the invention would have been motivated to make it convenient to remotely receive electronic data in the fastest way possibly using the latest conventional network technology so as to save time, effort and money. Thus such a modification would have been an obvious expedient well within the ordinary skill in the art.

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**Re claim 7:**

Moore in view of Boyer and Drunsic discloses receiving batch e-claim data (see Moore col. 7, lines 13-32).

**Re claim 8:**

Moore in view of Boyer and Drunsic discloses triggering a request to receive a receipt associated with the e-claim from the participant (see explanation for claim 1).

**Re claim 9:**

Moore in view of Boyer and Drunsic discloses triggering a request to receive a receipt associated with the e-claim if it is determined that the receipt was not received (see explanation for claim 1).

**Re claim 10:**

Moore in view of Boyer and Drunsic periodically triggering a request to receive a receipt associated with the e-claim from the participant (see explanation claim 1).

**Re claim 12:**

Moore in view of Boyer and Drunsic sending a notification to an employer of the participant's transaction status (see explanation claim 1 and Drunsic, paragraph 0041).



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**Re claim 15:**

Moore in view of Boyer and Drunsic assigning an eligibility code, if the e-claim is determined to be an eligible claim (see explanation for claim 1).

**Re claim 16:**

Moore in view of Boyer and Drunsic providing a claim history report for e-claims made by the participant (see explanation for claim 1).

**Re claim 17:**

Moore in view of Boyer and Drunsic the receiving a receipt includes receiving a receipt without a matching e-claim (see explanation claim 1).

**Re claim 18:**

Moore in view of Boyer and Drunsic the method further includes monitoring for the e-claim to match the receipt (see explanation claim 1).

**Re claim 19:**

Moore in view of Boyer and Drunsic the method further includes matching the receipt with the detected e-claim (see explanation claim 1).

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**Re claim 20:**

Moore fails a notification includes sending a letter to the participant. Boyer and Drunsic disclose sending a notification includes sending a letter to the participant (see Drunsic paragraph 0081). It would have been obvious for an artisan at the time of the invention to integrate the aforementioned features of Drunsic into Moore because an artisan at the time of the invention would have recognized the sending notification in the form of the notoriously old and well known letter as an obvious alternative to electronic means within Moore and thus would have been an obvious expedient well within the ordinary skill in the art.

**Re claim 21:**

Moore in view of Boyer and Drunsic detecting includes detecting a debit in an account balance (see explanation for claim 1).

**Re claim 22:**

Moore in view of Boyer and Drunsic the method further includes receiving one or more approved real time manual transactions and adjusting an account balance accordingly in real time (see explanation to claim 1).

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**Re claim 24:**

Moore in view of Boyer and Drunsic the method further includes tracking an e-claim made for an unqualified expense and reporting the e-claim to an employer of the participant (see explanation for claim 1).

**Re claim 25:**

Moore in view of Boyer and Drunsic the method further includes sending additional data about the ineligible claim for an employer to collect through payroll deduction (see explanation for claim 1).

**Re claim 26:**

A method of adjudicating an e-claim made through electronic debit card spending, comprising: providing a debit card; automatically detecting an e-claim made by a participant using the debit card; receiving a receipt for the e-claim; auditing the e-claim with the receipt to determine whether the e-claim is a eligible e-claim, assigning a reason code to the e-claim; automatically triggering a follow-up action associated with the reason code to inform the participant of the ineligible e-claim; and if the e-claim is an eligible claim, approving the e-claim (see explanation for claim 1)

**Re claim 28:**

An electronic flex card adjudication system, comprising:

means for automatically detecting an e-claim made by a participant;

means for receiving a receipt for the e-claim;

means for auditing the e-claim with the receipt to determine whether the e-claim is an eligible claim;

if the e-claim is not an eligible e-claim,

means for assigning a reason code to the e-claim; means for automatically triggering a follow-up action associated with the reason code to inform the participant of the ineligible e-claim; and if the e-claim is an eligible claim, means for approving the e-claim (see explanation for claim 1).

**Re claim 29:**

Moore in view of Boyer and Drunsic discloses an Internet interface that allows participants to view status of the e-claim (see Boyer col. 12, lines 48+)

**Re claim 30:**

A program storage device readable by machine, tangibly embodying a program of instructions executable by the machine to perform method steps of adjudicating an e-claim made through electronic debit card spending, comprising:

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· automatically detecting an e-claim made by a participant; receiving a receipt for the e-claim; auditing the e-claim with the receipt to determine whether the e-claim is an eligible claim; if the e-claim is not an eligible e-claim, assigning a reason code to the e-claim (see explanation for claim 1);

8. Claims 2, 3, 5, 11, 13, 14, 27 and 31-48 are rejected under 35 U.S.C. 103(a) as being unpatentable over Moore as modified by Boyer and Drunsic as applied to claim 1 as discussed above and further in view of Smith. The teachings of Moore as modified by Boyer and Drunsic have been discussed above.

**Re claim 2:**

Moore as modified by Boyer and Drunsic, informing the participant to pay back the amount claimed in the ineligible e-claim (or transaction); and if the pay back is not received within a predetermined amount of time, deactivating a debit card that initiated the e-claim.

Smith discloses a debit card informing the participant to pay back/repay/refund the amount claimed in the ineligible e-claim and if the pay back is not received within a predetermined amount of time, deactivating a debit card that initiated the e-claim (see Smith abstract, col. 3, lines 25+; and col. 4, lines 9-22). It would have been obvious for an artisan of ordinary skill at the time the invention was made to substitute the refund and deactivation features as taught by Smith into the teachings of Moore as modified by

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Boyer and Drunsic because an artisan at the time of the invention would have been motivated to incorporate the pay back/refund feature so as to recover payments made for ineligible claims. Additionally an artisan would have been motivated to employ/integrate the deactivation feature found of Smith into the teachings of Moore as modified by Boyer and Drunsic to prevent or immediately stop additional payments for ineligible claims. An artisan would have sought such features within the Smith card as protective measures when used within Moore as modified by Boyer and Drunsic and thus have been an obvious expedient well within the ordinary skill in the art.

**Re claim 3:**

sending a notification to the participant to pay back the amount claimed in the ineligible e-claim (see explanation of claim 2).

**Re claim 4:**

automatically deactivating a debit card used in the e-claim (see explanation of claim 2).

**Re claim 5:**

the sending a notification includes sending e-mail (see Drunsic paragraph 0081).

**Re claim 11:**

triggering a request to receive a receipt associated with the e-claim from the participant; and

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if the receipt is not received after a predetermined number of requests has been made, automatically deactivating a debit card used for the e-claim (see explanations for claims 1 and 2).

**Re claim 13:**

sending a notification further includes allowing the participant to electronically repay the funds and replenishing the participant's accounts in the amount of the repayment (see explanations for claims 2).

**Re claim 14:**

the participant to electronically repay the funds includes: providing a hyperlink in the notification, wherein the participant link to the hyperlink and make the electronic repayment (see Boyer col. 7, lines 30+).

**Re claim 23:**

Moore in view of Boyer and Drunsic the method further includes tracking an e-claim made for an unqualified expense and deactivating a debit card associated with the e-claim (see explanation claims 1 and 2).

**Re claim 27:**

A method of adjudicating an e-claim made through electronic debit card spending, comprising:

- automatically detecting an e-claim made by a participant using a debit card;
- automatically notifying a participant, if a receipt associated with the e-claim is not received within a predetermined amount of time; and
- automatically deactivating the debit card, if the receipt is not received within a second predetermined amount of time (see explanation for claim 1 and 2).

**Re claim 31:**

A program storage device readable by machine, tangibly embodying a program of instructions executable by the machine to perform method steps of adjudicating an e-claim made through electronic debit card spending, comprising:

- automatically detecting an e-claim made by a participant using a debit card;
- automatically notifying a participant, if a receipt associated with the e-claim is not received within a predetermined amount of time; and automatically deactivating the debit card, if the receipt is not received within a second predetermined amount of time (see explanation for claims 1 and 2).



**Re claim 32:**

A method of processing transactions involving an account reserved for qualified spending, comprising: automatically receiving transaction data associated with a purchase to be paid from an account reserved for qualified spending; determining whether the purchase is a qualified transaction for which payment can be made from the account; and requesting a refund if it is determined that the purchase is not a qualified transaction (see explanation for claims 1 and 2).

**Re claim 33:**

sending a request for a receipt associated with the purchase, if the receipt has not been received; and the step of determining includes verifying whether the purchase is a qualified transaction by auditing the receipt if the receipt is received (see explanation for claims 1 and 2).

**Re claim 34:**

requesting for the receipt periodically until the receipt is received (see explanation for claims 1 and 2).

**Re claim 35:**

requesting for the refund periodically until the refund is received (see explanation for claims 1 and 2).

**Re claim 36:**

allowing a user to connect to a web site for making a refund (see explanation for claim 14).

**Re claim 37:**

The method of claim 36, wherein the allowing includes sending a URL request for a website through which the user can make a refund (see claim 14).

**Re claim 38:**

(New) The method of claim 32, further including:

receiving an amount of adjustment in an account made due to a manual payment; and

updating an account balance by the amount (see explanation for claims 1 and 2).

**Re claim 39:**

transmitting an amount of adjustment made due to direct payment from the account, wherein an entity processing manual payments receives the amount and updates an account balance by the amount (see explanation for claims 1 and 2).

**Re claim 40:**

blocking (deactivating) the account if the receipt is not received within a predetermined amount of time(see explanation for claims 1 and 2).

**Re claim 41:**

blocking the account if the refund is not received within a predetermined amount of time (see explanation for claims 1 and 2).

**Re claim 42:**

the purchase is made by using an electronic card issued to a participant (see explanation for claims 1 and 2).

**Re claim 43:**

A program storage device readable by machine, tangibly embodying a program of instructions executable by the machine to perform method steps of processing transactions involving an account reserved for qualified spending, comprising:

automatically receiving transaction data associated with a purchase to be paid from an account reserved for qualified spending;

determining whether the purchase is a qualified transaction for which payment can be made from the account; and requesting a refund if it is determined that the purchase is not a qualified transaction (see explanation for claims 1 and 2).

**Re claim 44:**

sending a request for a receipt associated with the purchase, if the receipt has not been received; and the step of determining includes verifying whether the purchase is a qualified transaction by auditing the receipt if the receipt is received (see explanation for claims 1 and 2).

**Re claim 45:**

transmitting an amount of adjustment made due to direct payment from the account, wherein an entity processing manual payments receives the amount and updates an account balance by the amount (see explanation for claims 1 and 2).

**Re claim 46:**

receiving an amount of adjustment in an account made as a result of a manual payment; and  
updating an account balance by the amount (see explanation for claims 1 and 2).

**Re claim 47:**

A system for processing transactions involving an account reserved for qualified spending, comprising:

a module in response to receiving transaction data associated with a purchase for which a payment is to be made from an account reserved for qualified spending,

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operable to determine whether the purchase is a qualified purchase, and if it is determined that the purchase is not a qualified purchase, the module being operable to request a refund for the payment made from the account (see explanation for claims 1 and 2).

**Re claim 48:**

wherein the module is further operable to connect to a website for allowing a user to make a refund (see explanation for claims 1 and 2).

### ***Conclusion***

9. A list of relevant prior art appears below not relied upon in this Office Action:

#### **US Patents:**

Peterson (US 6,343,271) discloses electronic creation. Submission adjudication and payment of health insurance claims

Flemming (US 5,953,710) discloses Children's Credit or debit card

Robinson et al (US 5,734,838) discloses Database computer architecture for managing an incentive reward program

Elgamal (US 5,671,279) discloses electronic commerce using a secure courier system

#### **Non – Patented Literature**

Nelson, K.M. et al., « Virtual auditing agents; The EDGAR AGENT challenge” Decision Support Systems (2000)

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel S Felten whose telephone number is (703) 305-0724. The examiner can normally be reached on Flex.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

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-Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



DSF  
February 18, 2004

Daniel S Felten  
Examiner  
Art Unit 3624